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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 16, 2013

Certified Return Receipt
7012 3460 0002 9559 5468

Michael Pauletto
I&P Investments, Inc
11204 Northwest 37th Court
Vancouver, Washington 98685

Subject: Division Directive to Reclaim, I & P Investments, Inc., Green Peak Quarry, M/003/0060, Box Elder County, Utah

Dear Mr. Pauletto:

The Division of Oil Gas and Mining requires reclamation of the Green Peak Mine. You are hereby directed to have all regrading and seeding work completed by October 31, 2014. Rule R647-3-113.5, allows the Division to require reclamation after five years of inactivity.

The Division is taking this action based on records indicating the Green Peak Mine has been inactive since at least 2004. The annual permit fees are not current (fees were not paid for 2012 and 2013 for a total past due amount of \$1,000), and an additional \$500 will be due January 31, 2014. Commitments made in the Notice of Intention to Commence Large Mining Operations (Notice) to clean up trash, remove inoperable equipment and reclaim the lower mill site have not been met.

Failure to complete reclamation as required is likely to result in enforcement action, including fines and possible forfeiture of the reclamation surety.

The following four points summarize the reclamation work that needs to be completed:

1. Old mill site/work area along the Immigrant Pass Road:

This area was to have been reclaimed within two years of the approval of the Notice. The Notice was approved in 2005, so reclamation should have been completed by 2007. The approved reclamation plan says waste rock piles will be removed. It allows you to screen larger rocks and place them in a six-foot berm along the immigrant pass road. All excess material will need to be hauled back to the quarry. Box Elder County has no interest in using this material, and the BLM will not allow you to place any of this material as fill to raise the road through the drainage to the south, nor will they allow you to grade it out on site. After the excess material is removed from the site, the area will need to be ripped to eliminate compaction and seeded with the approved seed mix.

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2. Reclamation of the new work site:

Reclamation will consist of removing all equipment and debris, regrading to 3H:1V slopes or flatter, and seeding with the approved seed mix.

3. Reclamation of the access road:

The access road needs to be reclaimed as specified in the approved Notice. The BLM has assured the Division that they own the surface estate and that you only have ownership of the top 100 feet of the mineral estate. They recognize that there was an old two-track road prior to your mining, but reclamation is required because the road was substantially improved, because the improvements were made to facilitate mining, and because road reclamation is part of the approved Notice.

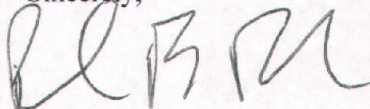
4. Reclamation of the quarry area:

The quarry needs to be regraded to approximate original contour using the onsite material as well as the excess material from the mill site. With the recontouring process, make every reasonable attempt to use any suitable growth medium, such as soil and fines, on the final surface. Seed the area with the approved seed mix as soon as possible after regrading is complete.

Please provide updates as reclamation progresses. The Division will try to make periodic site visits during the reclamation process to document work and assure the Notice is being followed. You may request release of a portion of the reclamation surety as reclamation is completed.

Please contact Lynn Kunzler at 801-538-5310 or me at 801-538-5261 if you have questions or concerns about this letter. Thank you for your cooperation.

Sincerely,



Paul B. Baker
Minerals Program Manager

PBB: lk: eb

cc: Mike Nelson, BLM (mnelson@blm.gov)

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